

May 31, 2011

MEMORANDUM NO: 037-11HR

TO: Agency Administrators

FROM: Bobbie Chappell

VIA: Rip Colvin, Executive Director

RE: FY2011-12 Retirement Contribution Rates

Attached are the Florida Retirement System (FRS) employer contribution rates for the 2011-2012 plan year. The retirement contribution rates are established by s. 121.71, F.S. **The rates in this release reflect the governor's final actions on SB 2100.**

The uniform contribution rate system is continued. Participating employers make uniform contributions to support both the FRS Pension Plan and the FRS Investment Plan. Employers and employees contribute a percentage of the total payroll for each class or subclass of FRS membership based upon the uniform or "blended" rates, regardless of which retirement plan your employees participate under. Therefore, **you pay the same contribution rates for members under both plans.**

Beginning July 1, 2011 there will be a required 3% employee contributions owed on the compensation of all members, except DROP participants and reemployed retirees who are not eligible for renewed membership. These required employee contributions will be made on a pre-tax basis; FICA and Medicare taxes are owed on the required employee contributions. Employee contributions are due on the same amount of compensation that the employer reports for retirement purposes.

Retirees who are not eligible for renewed membership have the Retiree Health Insurance Subsidy Program (HIS) and the unfunded actuarial liability (UAL) employer contributions reported and paid on the salaries of these reemployed retirees for the 2011-12 year. Employees participating in the Senior Management Service Optional Annuity Program will have the UAL contributions reported and paid on the salaries for the 2011-12 year to the Division of Retirement.

The HIS contribution rate remains at 1.11% and the assessment for administering the FRS Investment Plan and funding the MyFRS Financial Guidance Program remains at 0.03%. The total employer contribution rates are provided in the attached separate charts. The maximum salary you may report for your FRS members for the 2011-2012 plan year is \$363,820 if they were first enrolled before July 1, 1996 or \$245,000 if they were first enrolled on or after July 1, 1996.

For questions, please contact Jennifer Henderson at
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CONTRIBUTION RATES EFFECTIVE JULY 1, 2011

Employer contribution rates are set by law. Rates below include the appropriate retirement contribution rate, 1.11% HIS contribution rate, 0.03% administrative/educational fee, and any applicable UAL rates¹.

FRS Membership Plan & Class (Rates below apply to Florida Retirement System members who are in either the FRS Pension Plan or the FRS Investment Plan)	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
HA/PA – Regular	3.00%	4.91%	7.91%
HB/PB – Special Risk	3.00%	14.10%	17.10%
HC/PC – Judges	3.00%	11.69%	14.69%
HE/PE – Legislators	3.00%	9.04%	12.04%
HG/PG – Gov./Lt. Gov. & Cabinet	3.00%	9.04%	12.04%
HH/PH – State Atty./Public Defender	3.00%	9.04%	12.04%
HI/PI – County, City, Sp. Dist. Elect. Officers	3.00%	11.14%	14.14%
HJ/PJ – Special Risk Adm. Support	3.00%	6.04%	9.04%
HM/PM – Senior Management (SMSC)	3.00%	6.27%	9.27%

Renewed Membership Plan & Class² (Rates below apply to renewed members in either the FRS Pension Plan or the FRS Investment Plan, including renewed members in the EOC & SMSC, as well as renewed EOC members who chose to join SMSC)	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
RA/QA – Regular	3.00%	4.91%	7.91%
RC/QC – Judges	3.00%	11.69%	14.69%
RE/QE – Legislators	3.00%	9.04%	12.04%
RG/QG – Gov./Lt. Gov. & Cabinet	3.00%	9.04%	12.04%
RH/QH – State Atty./ Public Defender	3.00%	9.04%	12.04%
RI/QI – County, City, Sp. Dist. Elect. Officers	3.00%	11.14%	14.14%
RM/QM – Senior Management (SMSC)	3.00%	6.27%	9.27%
RP/QP – <i>SMSC in lieu of EOC:</i>			
Judges	3.00%	6.27%	9.27%
Legislators	3.00%	6.27%	9.27%
Gov./Lt. Gov. & Cabinet	3.00%	6.27%	9.27%
State Atty./Public Defender	3.00%	6.27%	9.27%
RQ/QQ – <i>SMSC in lieu of EOC:</i>			
County, City, Sp. Dist. Elect. Officers	3.00%	6.27%	9.27%

IFAS Supplemental Retirement Plan³	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
HK – IFAS Supplemental	0.00%	18.75%	18.75%

¹ See the rate chart on page 4 for a complete breakdown of the UAL contribution rates by membership class.

² See chart at the top of page four of this attachment for rates for retirees initially reemployed on or after July 1, 2011, who are not eligible for retirement coverage.

³ IFAS is a closed, grandfathered retirement system and the rates for FY 2011/12 did not change; the 1.11% HIS rate and the 0.03% administrative/educational fee do not apply to members in IFAS.

CONTRIBUTION RATES EFFECTIVE JULY 1, 2011

Employer contribution rates are set by law. Rates below include the appropriate retirement contribution rate, 1.11% HIS contribution rate, 0.03% administrative/educational fee, and any applicable UAL rates⁴.

Teachers' Retirement System ⁵ (TRS)	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
IA – TRS Plan A	Individual Rates	Individual Rates	Individual Rates
IB – TRS Plan B	"	"	"
IC – TRS Plan C	"	"	"
ID – TRS Plan D	"	"	"
IE – TRS Plan E	6.25%	11.35%	17.60%
IF – TRS Plan E (plus Social Security)	6.25%	11.35%	17.60%

State and County Officers and Employees' Retirement System ⁵ (SCOERS)	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
AA – Division A	6.00%	11.10%	17.10%
AB – Division A, High Hazard	8.50%	11.10%	19.60%
AD – Division B	4.00%	9.10%	13.10%
AE – Division B	4.00%	9.10%	13.10%
AF – Division B	4.00%	9.10%	13.10%
FK – Division A (plus Social Security)	6.00%	11.10%	17.10%

EOC Members Who Chose to Join SMSC	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate
HP/PP – Judges	3.00%	6.27%	9.27%
Legislators	3.00%	6.27%	9.27%
Gov./Lt. Gov. & Cabinet	3.00%	6.27%	9.27%
State Atty./Public Defender	3.00%	6.27%	9.27%
HQ/PQ – County, City, Sp. Dist. Elected Officers	3.00%	6.27%	9.27%

Deferred Retirement Option Program (DROP)	Employee Contribution Rate	Employer Contribution Rate	Total Contribution Rate ⁶
DP – DROP from FRS	N/A	4.42%	4.42%
DR – DROP from Plan A, SCOERS	N/A	4.42%	4.42%
DS – DROP from Plan B, SCOERS	N/A	4.42%	4.42%
DT – DROP from TRS, all plans	N/A	4.42%	4.42%
DE, DF, DG, DH – DROP terminated in EOC	N/A	1.11% ⁶	1.11% ⁷

⁴ See the rate chart on page 4 for a complete breakdown of the UAL rates by membership class.

⁵ Member contribution rates did not change in FY 2011/12 for TRS or SCOERS.

⁶ The DROP rate includes the 1.11% HIS rate but the 0.03% administrative/educational fee does not apply to DROP participants and the UAL contribution rate is not being paid on the salaries of DROP participants for FY 2011/12.

⁷ Only the HIS and UAL rate are owed on the salaries of these elected officials. The UAL contribution rate is not being paid on the salaries of DROP participants for FY 2011/12.

CONTRIBUTION RATES EFFECTIVE JULY 1, 2011

Rates for optional programs listed below include an amount provided to program participants in lieu of the health insurance subsidy and may include an administrative charge, as indicated. The 0.03 % administrative/educational fee does not apply to participants of these plans.

Optional Programs	Employee Contribution Rate	Employer Contribution Rate	Admin. Cost	UAL	Total Contribution Rate
HO – Local Annuity Programs	---- ⁸	8	---- ⁸	0.00	0.00
OP – SUS Optional Retirement Program	3.00%	7.42%	0.01%	0.49%	10.92%
OM – SMS Optional Annuity Program	3.00%	9.49%	N/A	0.32%	12.81%
OC – State Comm. College System Optional Retirement Program	3.00%	7.43%	---- ⁹	0.49%	10.92%

EOC Members Opting out of the SMSC into the SMSOAP or Local Annuity	Employee Contribution Rate	Employer Contribution Rate	Admin. Cost	UAL	Total Contribution Rate
OM – Judges	3.00%	9.49%	N/A	0.32%	12.81%
Legislators	3.00%	9.49%	N/A	0.32%	12.81%
Gov./Lt. Gov. & Cabinet	3.00%	9.49%	N/A	0.32%	12.81%
State Atty./Public Defender	3.00%	9.49%	N/A	0.32%	12.81%
HO – County, City, Sp. Dist. Elected Officers	---- ⁸	---- ⁸	---- ⁸	0.00%	0.00%

Renewed Membership Optional Programs	Employee Contribution Rate	Employer Contribution Rate	Admin. Cost	UAL	Total Contribution Rate
OR – State Senior Managers	3.00%	9.49%	N/A	0.32%	12.81%
OZ – Local Senior Managers	---- ⁸	---- ⁸	---- ⁸	0.00%	0.00% ⁸
OS – SUS Optional Retirement Program	3.00%	7.42%	0.01%	0.49%	10.92%
OD – State Comm. College System	3.00%	7.43%	---- ⁹	0.49%	10.92%

Renewed EOC Members Opting out of the SMSC into the SMSOAP or a Local Annuity	Employee Contribution Rate	Employer Contribution Rate	Admin. Cost	UAL	Total Contribution Rate
OR – Judges	3.00%	9.49%	N/A	0.32%	12.81%
Legislators	3.00%	9.49%	N/A	0.32%	12.81%
Gov./Lt. Gov. & Cabinet	3.00%	9.49%	N/A	0.32%	12.81%
State Atty./Public Defender	3.00%	9.49%	N/A	0.32%	12.81%
OQ – County, City, Sp. Dist. Elected Officers	---- ⁸	---- ⁸	---- ⁸	0.00%	0.00% ⁸

⁸ This contribution rate is established by local authority [*see s. 121.055 (1)(b)2., F.S.*].

⁹ Community colleges choosing to charge an administrative fee must reduce the employer contribution by the amount of the fee.

CONTRIBUTION RATES EFFECTIVE JULY 1, 2011

RATES LISTED BELOW INCLUDE THE 1.11% HIS contribution rate AND ANY APPLICABLE UAL RATES¹⁰.

Retirees Initially Reemployed on or after July 1, 2010, who are not eligible for retirement coverage (Rates below apply to salaries of retirees based on the membership class that the position is covered by even though the individual is not eligible to participate in a state-administered retirement plan.)	Total Employer Contribution
UA – Regular	1.60%
UB – Special Risk	3.86%
UC – Judges	1.88%
UE – Legislators	1.99%

Retirees Initially Reemployed on or after July 1, 2010, who are not eligible for retirement coverage (Rates below apply to salaries of retirees based on the membership class that the position is covered by even though the individual is not eligible to participate in a state-administered retirement plan.)	Total Employer Contribution
UG – Gov./Lt. Gov. & Cabinet	1.99%
UH – State Atty./Public Defender	1.99%
UI – County, City, Sp. Dist. Elected Officers	1.84%
UM – Senior Management (SMSC)	1.43%

FRS Membership Class (Rates below apply to Florida Retirement System members who are in the FRS Pension Plan, the FRS Investment Plan, or the non-integrated defined contribution plans) for FY 2011/12 year.	UAL
Regular	0.49%
Special Risk	2.75%
Judges	0.77%
Legislators	0.88%
Gov./Lt. Gov. & Cabinet	0.88%
State Atty./Public Defender	0.88%
County, City, Sp. Dist. Elected Officers	0.73%
Special Risk Adm. Support	0.83%
Senior Management (SMSC)	0.32%
DROP	0.00%

DATES CONTRIBUTIONS AND REPORTS ARE DUE*

Report Month	Date Due	Report Month	Date Due
June 2011	July 8	January 2012	February 7
July 2011	August 5	February 2012	March 7
August 2011	September 8	March 2012	April 6
September 2011	October 7	April 2012	May 7
October 2011	November 7	May 2012	June 7
November 2011	December 7	June 2012	July 9
December 2011	January 9		

* Contribution payments made using the Department of Revenue's Electronic Tax Payment System must be initiated no later than 5 p.m., E.S.T., on the 4th business day of each month for us to receive them by the 5th business day of each month.

¹⁰ See the rate chart on this page for a complete breakdown of the UAL rates by membership class